

In Re: <div style="text-align: center; margin-top: 20px;">THE SOURCE HOTEL, LLC,</div> <div style="text-align: right; margin-top: 20px;">Debtor.</div>	CHAPTER 11 (BUSINESS) <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Case Number:</td> <td style="border-bottom: 1px solid black;">8:21-bk-10525-ES</td> </tr> <tr> <td>Operating Report Number:</td> <td style="border-bottom: 1px solid black;">2</td> </tr> <tr> <td>For the Month Ending:</td> <td style="border-bottom: 1px solid black;">Mar-21</td> </tr> </table>	Case Number:	8:21-bk-10525-ES	Operating Report Number:	2	For the Month Ending:	Mar-21
Case Number:	8:21-bk-10525-ES						
Operating Report Number:	2						
For the Month Ending:	Mar-21						

I. CASH RECEIPTS AND DISBURSEMENTS
 A. (GENERAL ACCOUNT*)

1. TOTAL RECEIPTS PER ALL PRIOR GENERAL ACCOUNT REPORTS	0.00
2. LESS: TOTAL DISBURSEMENTS PER ALL PRIOR GENERAL ACCOUNT REPORTS	0.00
3. BEGINNING BALANCE:	0.00
4. RECEIPTS DURING CURRENT PERIOD:	
Accounts Receivable - Post-filing	
Accounts Receivable - Pre-filing	
General Sales	
Other (Specify) Closed Pre-Petition Accts	63,660.41
**Other (Specify)	
TOTAL RECEIPTS THIS PERIOD:	63,660.41
5. BALANCE:	63,660.41
6. LESS: TOTAL DISBURSEMENTS DURING CURRENT PERIOD	
Transfers to Other DIP Accounts (from page 2)	0.00
Disbursements (from page 2)	0.00
TOTAL DISBURSEMENTS THIS PERIOD:***	0.00
7. ENDING BALANCE:	63,660.41
8. General Account Number(s):	-9308
Depository Name & Location:	Axos Bank
	(General DIP Account opened on 3/04/2021)

* All receipts must be deposited into the general account.

** Include receipts from the sale of any real or personal property out of the ordinary course of business; attach an exhibit specifying what was sold, to whom, terms, and date of Court Order or Report of Sale.

***This amount should be the same as the total from page 2.

** Fill in amounts in this column if they are DISBURSEMENTS to outside payees; the "amount" column will be filled in for you.

Bank statement Date: 3/1/2021-3/31/2021 Balance on Statement: 3/31/2021

Plus deposits in transit (a):

Deposit DateDeposit Amount

3/4/2021

\$1,785.02

3/4/2021

471.06

3/4/2021

373.94

3/24/2021

61,030.39

TOTAL DEPOSITS IN TRANSIT

63,660.41

Less Outstanding Checks (a):

Check NumberCheck DateCheck Amount

TOTAL OUTSTANDING CHECKS:

0.00

Bank statement Adjustments:

Explanation of Adjustments-

ADJUSTED BANK BALANCE:

\$63,660.41

* It is acceptable to replace this form with a similar form

** Please attach a detailed explanation of any bank statement adjustment

C. (TAX ACCOUNT)

1. TOTAL RECEIPTS PER ALL PRIOR TAX ACCOUNT REPORTS	0.00
2. LESS: TOTAL DISBURSEMENTS PER ALL PRIOR TAX ACCOUNT REPORTS	0.00
3. BEGINNING BALANCE:	0
4. RECEIPTS DURING CURRENT PERIOD: (Transferred from General Account)	0.00
5. BALANCE:	0.00
6. LESS: TOTAL DISBURSEMENTS DURING CURRENT PERIOD TOTAL DISBURSEMENTS THIS PERIOD:***	0.00
7. ENDING BALANCE:	0.00
8. TAX Account Number(s):	-9324
Depository Name & Location:	Axos Bank
	(Tax DIP Account opened on 3/04/2021)

TOTAL DISBURSEMENTS THIS PERIOD:	0.00
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Plus deposits in transit (a):

Deposit DateDeposit Amount

TOTAL DEPOSITS IN TRANSIT

0.00

Less Outstanding Checks (a):

Check NumberCheck DateCheck Amount

TOTAL OUTSTANDING CHECKS:

0.00

Bank statement Adjustments:

Explanation of Adjustments-

ADJUSTED BANK BALANCE:

\$0.00

ENDING BALANCES FOR THE PERIOD:

(Provide a copy of monthly account statements for each of the below)

General Account: 63,660.41

Payroll Account:	n/a
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Tax Account:	0.00
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*Other Accounts: _____

*Other Monies: _____

**Petty Cash (from below):	0.00
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TOTAL CASH AVAILABLE:

63,660.41

Petty Cash Transactions:

Date

Purpose

Amount

TOTAL PETTY CASH TRANSACTIONS:

0.00

* Specify the Type of holding (e.g. CD, Savings Account, Investment Security), and the depository name, location & account#

** Attach Exhibit Itemizing all petty cash transactions



Account Information Report

The Source Hotel, LLC

March 01, 2021 - March 31, 2021

Account: *9308 (Operating)

Available Balance	\$63,660.41
Opening Ledger Balance	\$63,660.41
Collected Balance	\$63,660.41
Current Balance	\$63,660.41
Closing Ledger	\$63,660.41
Last Activity Date	
Float Amount	\$0.00
Hold Amount	\$0.00
Last Deposit Amount	\$61,030.39
Last Deposit Date	03/24/2021
Credit Line / Overdraft Amount	\$0.00

Posted Date	Description	Check Number	Credit	Debit
03/24/2021	Wire Transfer Credit Wire Transfer Credit THE SOURCE HOTEL, LLC PO BOX 489 BUENA PARK, CA 90621 US 20210324QMGFT005001751 20210324MMQFMP9N000474 03241636FT01		\$61,030.39	
03/09/2021	Chargeback			\$2,674.05
03/04/2021	DDA Regular Deposit		\$2,674.05	
03/04/2021	DDA Regular Deposit		\$1,785.02	
03/04/2021	DDA Regular Deposit		\$471.06	
03/04/2021	DDA Regular Deposit		\$373.94	

Account: *9324 (Tax Account)

Available Balance	\$0.00
Opening Ledger Balance	\$0.00
Collected Balance	\$0.00
Current Balance	\$0.00
Closing Ledger	\$0.00
Last Activity Date	
Float Amount	\$0.00
Hold Amount	\$0.00
Last Deposit Amount	\$32,572.70
Last Deposit Date	03/04/2021
Credit Line / Overdraft Amount	\$0.00

Posted Date	Description	Check Number	Credit	Debit
03/09/2021	Chargeback			\$32,572.70
03/04/2021	DDA Regular Deposit		\$32,572.70	

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II. STATUS OF PAYMENTS TO SECURED CREDITORS, LESSORS

AND OTHER PARTIES TO EXECUTORY CONTRACTS

Creditor, Lessor, Etc.	Frequency of Payments (Mo/Qtr)	Amount of Payment	Post-Petition payments not made (Number)	Total Due
Shady Bird Lending, LLC				
Orange County Treasurer- Tax Collector	1st installment due 12/10 and 2nd installment due on 4/12/2021	93,997.61	2nd installment paid on 4/12/2021	93,997.61
TOTAL DUE:				93,997.61

III. TAX LIABILITIES

FOR THE REPORTING PERIOD:

Gross Sales Subject to Sales Tax: _____

Total Wages Paid: _____

	Total Post-Petition Amounts Owing	Amount Delinquent	Date Delinquent Amount Due
Federal Withholding			
State Withholding			
FICA- Employer's Share			
FICA- Employee's Share			
Federal Unemployment			
Sales and Use			
Real Property			
Other: _____			
TOTAL:	0.00	0.00	

	*Accounts Payable Post-Petition	Accounts Receivable	
		Pre-Petition	Post-Petition
30 days or less			
31 - 60 days			
61 - 90 days			
91 - 120 days			
Over 120 days			
TOTAL:	0.00	0.00	0.00

V. INSURANCE COVERAGE

	Name of Carrier	Amount of Coverage	Policy Expiration Date	Premium Paid Through (Date)
General Liability Worker's Compensation Casualty Vehicle	Colony Insurance Co.	\$1,000,000 each occurrence; \$2,000,000 aggregate	10/31/2021	10/31/2021
Others: Property	United National Insurance Co.	\$30,000,000 real property; \$2,300,000 personal property	10/31/2021	10/31/2021

VI. UNITED STATES TRUSTEE QUARTERLY FEES
(TOTAL PAYMENTS)

Quarterly Period Ending (Date)	Total Disbursements	Quarterly Fees	Date Paid	Amount Paid	Quarterly Fees Still Owing
31-Mar-2021	0.00	325.00			325.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00

					0.00
					0.00
					0.00
		325.00		0.00	325.00

* Post-Petition Accounts Payable SHOULD NOT include professionals' fees and expenses which have been incurred but not yet awarded by the court. Post-Petition Accounts Payable SHOULD include professionals' fees and expenses authorized by Court Order but which remain unpaid as of the close of the period report

[illegible]

VIII. SCHEDULE OF OTHER AMOUNTS PAID TO INSIDERS

[illegible]

* Please indicate how compensation was identified in the order (e.g. \$1,000/week, \$2,500/month)

The Source Hotel, LLC
Balance Sheet
March 31, 2021

Assets

Real Estate

Construction in progress	\$ 73,014,963
Total Real Estate	<u>73,014,963</u>

Other Assets

Cash & cash equivalents	63,660
Prepaid expenses and other assets	5,253,981
Total Other Assets	<u>5,317,641</u>

Total Assets	<u><u>\$ 78,332,604</u></u>
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Liabilities and Members' Capital

Liabilities

Construction loans - EB5	\$ 21,000,000
Construction loans - Evertrust Bank	24,988,809
Due to affiliates, non-interest bearing	5,938,038
Accrued interest and preferred return	7,693,721
Accounts payable and other liabilities	4,512,099
	<u>64,132,667</u>

Members' Capital	<u>14,199,937</u>
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TOTAL LIABILITIES & MEMBER'S CAPITAL	<u><u>\$ 78,332,604</u></u>
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The Source Hotel, LLC
Statement of Operations
For the three months ended March 31, 2021

	Month to Date	Year to Date
Revenue	<u>\$ -</u>	<u>\$ -</u>
Operating Expenses:		
General & Administrative Expenses	<u>-</u>	<u>14,437</u>
	<u>-</u>	<u>14,437</u>
Operating Income (Loss)	-	(14,437)
Other income (expense)	<u>-</u>	<u>1</u>
Net Income (Loss)	<u><u>\$ -</u></u>	<u><u>\$ (14,436)</u></u>

XI. QUESTIONNAIRE

- | | | |
|--|----------|---------------|
| | No | Yes |
| 1. Has the debtor-in-possession made any payments on its pre-petition unsecured debt, except as have been authorized by the court? If "Yes", explain below: | <u>X</u> | <u> </u> |
| <hr/> | | |
| | No | Yes |
| 2. Has the debtor-in-possession during this reporting period provided compensation or remuneration to any officers, directors, principals, or other insiders without appropriate authorization? If "Yes", explain below: | <u>X</u> | <u> </u> |
| <hr/> | | |
| 3. State what progress was made during the reporting period toward filing a plan of reorganization See #4 below. | | |
| <hr/> | | |
| 4. Describe potential future developments which may have a significant impact on the case: | | |
| <p>The Debtor is actively seeking post-petition financing so that the construction of the hotel (which is approximately 85% complete) may be completed and the hotel opened for business. Upon obtaining a commitment for financing upon terms that the Debtor believes are reasonable and acceptable, the Debtor will seek Court approval for such financing. The Debtor anticipates formulating and proposing a plan of reorganization which provides for the completion of construction of the hotel and eventual operation and stabilization of the hotel business, and the restructuring and/or repayment of its existing secured and unsecured debt, using the revenues generated by the operation of the hotel.</p> | | |
| 5. Attach copies of all Orders granting relief from the automatic stay that were entered during the reporting period. | | |
| | | |
| | No | Yes |
| 6. Did you receive any exempt income this month, which is not set forth in the operating report? If "Yes", please set forth the amounts and sources of the income below. | <u>X</u> | <u> </u> |
| <hr/> | | |
| I, Donald Chae, Manager of Sole Member of Debtor (DMC Investment Holdings, LLC), declare under penalty of perjury that I have fully read and understood the foregoing debtor-in-possession operating report and that the information contained herein is true and complete to the best of my knowledge. | | |

4/21/21

Date



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Principal for debtor-in-possession